

CORPORATE REPORT

FISCAL YEAR ENDING DECEMBER 31, 2007, AND BUDGET YEAR 2008

TO THE COMMUNITY



CELEBRATING - OUR - SESQUICENTENNIAL

150 YEARS OF EXCELLENCE

By Mayor Gene Winstead

MUCH HAS CHANGED in Bloomington since May 11, 1858. Once a blooming prairie of a few hundred people, Bloomington has grown into a bustling, dynamic urban center with more than 85,000 residents and nearly 94,000 employees. This transformation didn't happen overnight. Throughout the following pages, you'll find a timeline that illustrates a few of the city's major milestones. Yet Bloomington is still evolving, changing and growing. You could say that the city begins a new era with the revitalization of Old Town Hall. Once a gathering place and church for residents, Old Town Hall was recently renovated to its former glory.

Our city is celebrating many successes in 2008. Bloomington's financial condition continues to be among the best in the state and in the nation. The City maintains a triple-A credit rating from Moody's, Standard & Poor's and Fitch Ratings, the highest bond ratings awarded by those agencies. Of the 19,000 municipal governments in the U.S., only 24, including Bloomington, have achieved three triple-A ratings.

The City Council adopted a 2008 General Fund budget with an increase of 4.63 percent. Property taxes allocated to the General Fund have increased only 3.7 percent annually over the past 15

years, from \$18.6 million in 1994 to \$34 million in 2008. Property values have increased 6.34 percent annually.

As we celebrate our city's Sesquicentennial and the accomplishments that brought us to where we are today, we're also

REMEMBERING OUR PAST, PLANNING FOR THE FUTURE



anticipating a future filled with new residential and commercial development, renewed neighborhoods, expanded transportation options and improved infrastructure.

Highlights of 2007 include:

- **Commencement of the Airport South District Plan.** The Airport South District is located between the Minneapolis-St. Paul International Airport and the Minnesota River. This unique location encompasses the northeast corner of Bloomington and comprises two-thirds of Bloomington's higher density, mixed-use commercial development potential.
- **Construction began on a number of Leadership in Energy and Environmental Design (LEED) certified buildings,** including Reflections, the two 17-story residential towers at Bloomington Central Station. United Properties' 8200 Norman Center Drive tower, currently under construction, is expected to be LEED-certified when completed in 2008. Ryan Companies' Marketpointe II on France Avenue and I-494 is applying for LEED certification.
- **The Penn-American District Plan** is intended to create a livable retail, office and residential node for Bloomington. The razing of a former car dealership in the area and property acquisitions have set the stage for development in 2009 and beyond.
- Presbyterian Homes will **construct a senior housing community and town**

center on Auto Club Road consisting of 16 care units, 66 assisted living units and 142 independent living units.

- **New residential communities** slated to begin construction in 2008 include luxury apartments at 82nd Street and Stanley Avenue and a 27-acre development at 107th Street and Lyndale Avenue that will feature a mix of condominiums, villas and townhomes.
- **Three new hotels with a total of 519 rooms** were completed in 2007: an 11-story Hilton Hotel on France Avenue at I-494, and a Cambria Suites and Hampton Inn in the Airport South District.

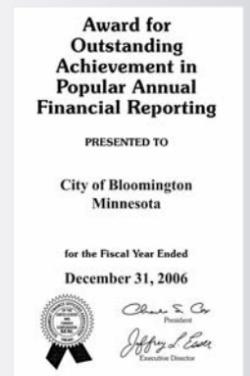
Innovations in development and technology, excellent financial strength, convenient access to transportation, including the airport and light rail, thousands of acres of protected open space, and property taxes that remain among the lowest in the metropolitan area continue to position Bloomington as the ideal place to live, work and play. As we celebrate 150 years of success, the progress we've made will move us toward an even brighter future.

THROUGHOUT THIS REPORT

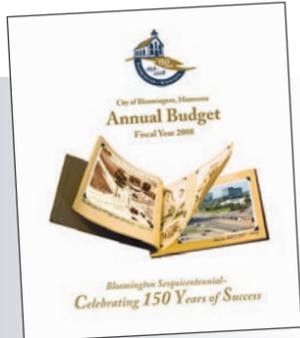
The monthly expenses for City services described in this report use a median-priced home in Bloomington that has an assessor's market value, payable in 2008, of \$247,900, with monthly property taxes for City services of \$61.81.

- PAGE CR2. Value for Your Dollar.
- PAGE CR3. Excellence in Service.
- PAGES CR4 AND CR5. Celebrate Successes.
- PAGE CR6. Setting High Standards.
- PAGE CR7. Enterprise, Internal Service and Special Revenue Funds.
- PAGE CR8. Capital Projects and Debt Service.

WINNING FINANCIAL AWARDS



THE GOVERNMENT Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2006. This prestigious national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City of Bloomington has received the Popular Award for eight years, the Distinguished Budget Award for the last 11 years and the Certificate of Excellence in Government Reporting for the past 36 years.



CHECK OUT THE FINANCIAL REPORTS ONLINE

BLOOMINGTON'S 2008 Annual Budget, Budget Summary, 2007 Comprehensive Annual Financial Report and Corporate Report to the Community are available on the City's Web site. Visit www.ci.bloomington.mn.us, keywords: Finance Department.

A JOURNEY THROUGH TIME...

1858



On May 11 the town of Bloomington is organized with a budget of \$100.

1892



The first town hall is built at Penn Avenue and Old Shakopee Road.

1915



Dan Patch rail line extends to downtown Minneapolis for passenger and freight service.

HOW TAX DOLLARS BUY CITY SERVICES

WHAT THE AVERAGE BLOOMINGTON HOMEOWNER PAYS



HISTORY SPOTLIGHT

IN BLOOMINGTON, the first snow plow consisted of a plow attached to a cart pulled by a team of horses. It wasn't until the early 20th century that the first gas-powered dump trucks and plows were introduced. Today, Bloomington has plows and dump trucks that clear an average of 40 inches of snow per year, taking as little as 14 minutes to clear a one-lane mile.

RESIDENTS RECEIVE a wide variety of City services at an affordable price. The cost of City services in 2007 for the owner of a median-priced, single-family home in Bloomington with an assessor's market value of \$247,900 is \$61.81 per month. Utilities remain competitively priced in 2008. The value received from City services compares favorably to charges for other monthly bills.

Net property tax cost is obtained by subtracting all revenue sources other than the property tax from departmental expenditures. Water and sewer utilities are fee-based.

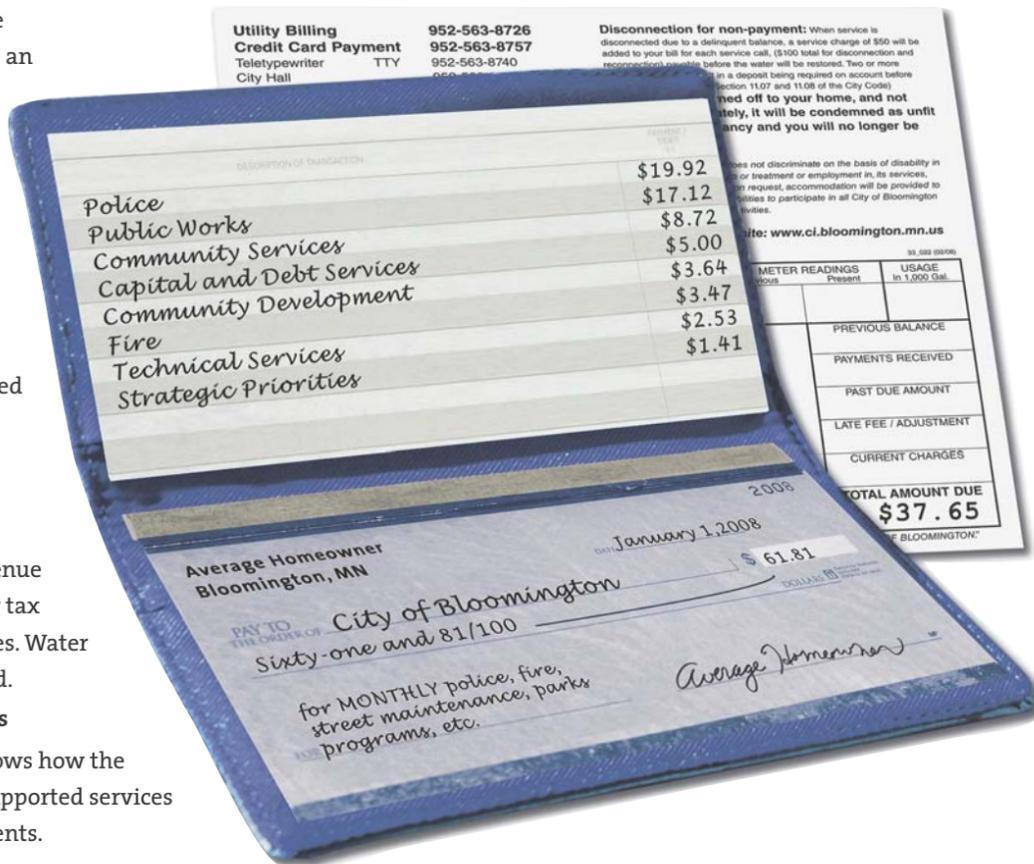
Property tax-supported services

The checkbook, *at right*, shows how the monthly cost of property tax-supported services is divided among City departments.

Monthly cost of utilities

Based on an average usage of 7,500 gallons per month, monthly cost of utilities for a home in Bloomington is \$37.65 in 2008. *See above illustration.* Services include water, sewer, stormwater and solid waste.

Note: Water bills are mailed bimonthly and average \$75.30 per bill.



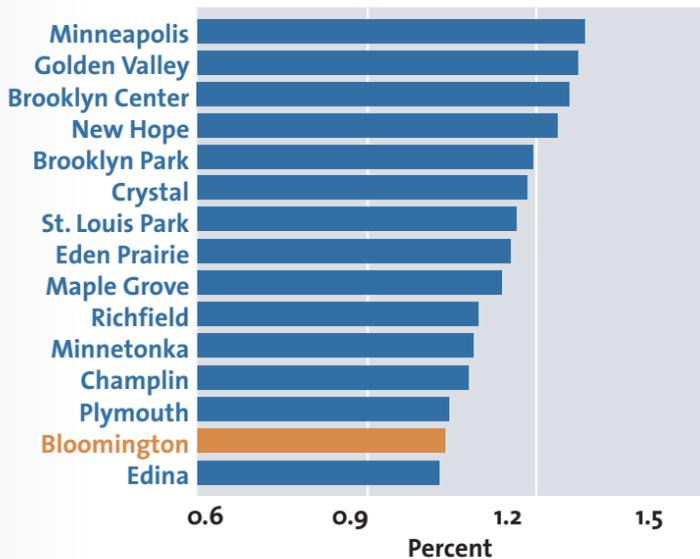
CITY OF BLOOMINGTON ORGANIZATIONAL CHART

BLOOMINGTON'S CHARTER provides for a council-manager government, which marks its 50th anniversary in 2008. The stability of our organization is reflected in the City having had only two city managers in the last 41 years.

The City Council and Mayor, who serve part time, are elected by the people, exercise legislative power and determine all City policies. Advisory boards and commissions gather information and advise the City Council on specific issues. Policy development and day-to-day operations are directed by the Council-appointed City Manager. The City Manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.

2007 SINGLE-FAMILY EFFECTIVE PROPERTY TAX RATE

PROPERTY TAX AS PERCENTAGE OF AVERAGE HOME'S VALUE



MEETING DEMANDS IN QUALITY CITY SERVICES

BLOOMINGTON RANKS WELL IN TAX RATE COMPARISON

THE CITY continues to meet the needs of its residents while finding ways for improvement and keeping costs affordable. In a 2007 comparison of 15 communities in Hennepin County with more than 20,000 residents, the effective tax rate for a single-family home in Bloomington ranked second lowest at 1.038 percent. The effective tax rate is the total of property taxes from all jurisdictions (City, School, County, etc.) divided by the average value of a home in each community. This rate shows the cost effectiveness of services in terms of what the average homeowner pays.

YOUR 2008 TAX DOLLAR

YOUR TAX DOLLAR is divided among several governmental entities. As the graphic shows, for every dollar of taxes paid, 33 cents are for City services.

The actual amount of taxes owed is based on market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity's respective boundaries using tax capacity, a function of market value and property type. After applying educational aids, a Bloomington homeowner with a median-valued home pays \$2,524 in property taxes. Of that, \$742, or \$61.81 per month, goes to the City for services. The remaining \$1,782 goes to the School District, County and other taxing districts.



41¢ Hennepin County
 33¢ City of Bloomington
 16¢ Bloomington School District
 10¢ Other agencies

1920



Bloomington is home to 1,330 residents.

1947



Bloomington Volunteer Fire Department is established with 25 members. Fire Station #1 is built.

1953



Police Department forms at cost of \$2 per taxpayer.

WEATHER TESTS CITY'S EMERGENCY PREPAREDNESS

RESPONDING TO THE STORMS OF 2007



"The City did a great job with the storm cleanup! We greatly appreciate it."

-Bill Borchers, resident

IN AUGUST 2007, two back-to-back storms swept through Bloomington, downing power lines, snapping trees and scattering debris across city streets. The City was quick to respond. Dispatch, Police and Fire handled storm-related emergencies, Public Works cleared blocked streets, and many other departments within the City collaborated to answer resident questions and disseminate information. It is with excellent training, dedication and pride in community that the City is prepared to respond to all emergencies.

"Thank you for your assistance and patience with moving the trees on our block after the big storm!"

-Holly Bertagnolli, Jerry Firth, Ken and Marly Drebenstedt, residents

FIRST RESPONDERS

FIRE AND POLICE were among the first responders to the August storms. The Bloomington Emergency Operations and Dispatch Centers answered scores of calls, ranging from concerns over downed power lines and loss of power to flood damage. The Fire Department responded to **109 calls** for the August 11 storm and **43 calls** for the August 28 storm. Police responded to **58 calls** on August 11 and **35 calls** on August 28.

"This is why we conduct trainings and have specialized equipment, so when a disaster strikes we are prepared to deal with it," Police Chief John Laux said.

During severe weather, Emergency Management feeds information to the City's communication outlets, works

with the community to help businesses reopen, and gets people back into their homes if they have been left with no power, no water or damaged property. After the August storms, Emergency Management applied \$173,000 in assistance from Hennepin County to help with debris removal and cleanup.



"I just wanted to say thank you for having the resources for tree removal ... on your Web site, along with contractors to call. It's great to have all the information we need in one place!"

-Peggy Moriarity-Boldt, resident

COMMUNICATING VITAL INFORMATION

COMMUNICATING INFORMATION to residents and businesses has always been a priority for the City. When an emergency occurs, prompt and precise communication is especially important. After the storms, the City immediately disseminated information via its Web site, cable channel and storm information hotline. New Web technology gave the City the ability to

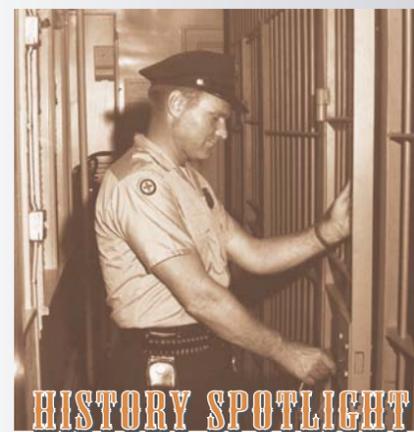
broadcast vital information more quickly and efficiently than ever before. Within minutes, the City activated its emergency information on what to do, who to call and where to go for help. A special Web page dedicated to the storms and debris removal attracted **8,222 visitors** who logged on to find details about the cleanup.

"We are so pleased with how the City handled the cleanup after the storm. The two gentlemen who came and picked up the debris from our street even raked the small stuff left over on our lawn."

-Anonymous

THE BIG CLEAN UP

DURING THE STORMS, Public Works went from emergency response mode, setting up flashers and caution tape on streets with downed power lines, to recovery mode, clearing blocked roads and picking up debris. At the end of the recovery process, nearly **8,000 truckloads** of storm-damaged trees and brush had been collected citywide. In keeping with its commitment to sustainability, the City recycled the collected tree debris. After crews from District Energy St. Paul grinded the debris into wood chips, the chips were recycled into fuel for St. Paul Cogeneration, a combined heat and power plant providing electricity to Xcel Energy and hot water to District Energy St. Paul.



HISTORY SPOTLIGHT

THE BLOOMINGTON POLICE Department was formed in 1953 with three officers. Today, the department has 116 sworn officers. Since 1972, more than 350 young men and women have participated in the Bloomington Police Department Explorers program, designed for males and females, 14 - 21 years of age, who have an interest in law enforcement.



PARKS AND RECREATION GETS PEOPLE OUTDOORS RECORD ATTENDANCE AT EVENTS

RESIDENTS GOT OUT and enjoyed Bloomington's parks and open spaces in 2007. Arts in the Parks events, such as concerts, festivals and other outdoor activities, were attended by a record **8,000 people**. This does not include Summer Fete weekend, which was attended by nearly **40,000**.

The first Bloomington Farmers Market was also a huge success. On opening weekend, more than **2,000 people** attended the market to purchase items from local farmers, growers and producers. Visitors had their pick of fresh vegetables, breads, fruit and flowers. More than **21,000 visitors** attended the Farmers Market during its 14-week season, which ran Saturdays, July - October. The City of Bloomington is planning for another successful Farmers Market in 2008, starting on June 14.



WORKING TOGETHER

Communications wasn't the only division relaying information. Human Services and Public Works clerical staff fielded **hundreds of phone calls** during and after the storms. The Information Desk at Civic Plaza received so many calls that a backup switchboard was activated. Human Services responded to nearly **60 inquiries** related to the storm, including requests for assistance with moving branches and debris to the curb for pickup.

1955



Bloomington is home to 28,900 residents and 85 businesses.

1956



Metropolitan Stadium opens to a crowd of 18,366 for a Triple-A Minneapolis vs. Wichita baseball game.

1958



Ordinance passes requiring residential subdivisions to make a 10 percent park dedication.

150 YEARS OF EXPERIENCE MOVING TOWARD A COMPLETE CITY

FOR MORE THAN 150 YEARS, Bloomington has striven to be A Complete City – where neighborhoods and businesses thrive and improvements are constantly made. For millenia Native Americans lived on the oak savannahs and prairies. In the mid-1800s, missionaries like Gideon Pond settled here. After WW II, as Bloomington’s population began to grow, leaders envisioned a community beyond the farm fields and traditional residential suburbs of their times.

These early efforts formed a great foundation for a better, more sustainable Bloomington. Strategic planning, with resident input, developed new directions for Bloomington. As the City implements these long-term goals, the focus will be on City services, housing, education, employment, recreation, retail and transportation.

Here’s a look back at how Bloomington has grown since the 19th century.

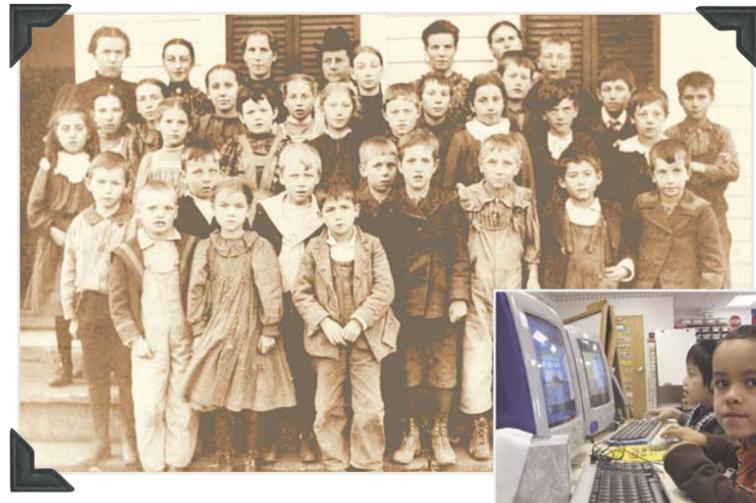
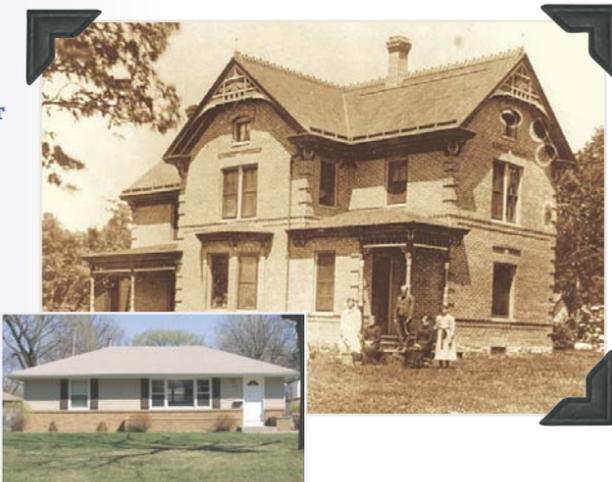
STRONG HOUSING

One of the oldest homes in Bloomington is a **FARMHOUSE BUILT BY RENE BAILLIF** in 1875, see photo right. It is still standing at 106th Street and Humboldt Avenue.

Today ramblers constitute about half of Bloomington’s housing stock. During the 1950s’ population explosion, these one-level houses became ubiquitous in the city.

Virtually all of those **RAMBLERS** are still in use and residents are looking at them in different ways. Seniors see the benefits of a one-level, accessible floor plan; younger families see them as fashionable and functional.

As Baby Boomers retire, the demand for senior housing has been rapidly escalating. **Senior independent living units** total more than 1,800 in Bloomington.



SOLID EDUCATION

EDUCATION HAS BEEN AN IMPORTANT PART of Bloomington life since the very **FIRST PUBLIC SCHOOLHOUSE** was built near France Avenue and Old Shakopee Road in 1859. By the turn of the 20th century, there were six rural schools with more than 200 students in grades 1 - 8.

Today Bloomington School District’s total enrollment is 10,300. Its mission is to be an “educational leader, developing in all learners the ability to thrive in a rapidly changing world.”

The District believes all children, from all socioeconomic, ethnic and racial backgrounds can attain the knowledge, skills and ethical values that will prepare them to succeed and contribute. Schools **INTEGRATE TECHNOLOGIES** that enable teachers and students to link classroom learning with a world of information. This is made possible by **community support** of last fall’s Operating Levy for Teaching and Learning, and Capital Projects Levy for Technology referendums.



Photo courtesy of Steve St. Martin.

QUALITY RECREATION

IN THE LATE 1800s, Bloomington didn’t have dedicated trails, playground equipment or parks, so people had to make their own fun, like the **DESCENDANTS OF GIDEON POND** sliding down a hill on their toboggan in the 1920s.

Today we’ve come full circle as residents are enjoying more active lifestyles. In 2007, many recreation facilities in the City were updated. **BLOOMINGTON ICE GARDEN’S RINK ONE** received a new energy-efficient refrigeration system, extended players’ boxes and seamless glass. In 2008, the City will be making improvements to **seven athletic fields** at Dred Scott, Valley View and Smith Park. The changes will improve safety and the quality of play areas. Bloomington is currently finalizing an **Alternative Transportation Plan** to provide a comprehensive system for inter- and intra-city travel and to promote more active lifestyles for residents, workers and visitors.

EMPLOYMENT AND BUSINESS GROWTH

FARMING WAS THE MAIN OCCUPATION at the turn of the 20th century. Frank Joseph Pahl settled in Bloomington around 1905, built a home at 83rd and Lyndale and **FARMED 180 ACRES WITH HIS FIVE SONS.**

Today about 8,000 people work in 2 million square feet of office space in the Normandale Lake area where **Duke-Weeks’ Norman Point II**, a 332,000 square-foot office tower at 5600 American Boulevard West, was completed and construction began on **United Properties’ 8200 Norman Center Drive tower**. This 285,000 square-foot office building is scheduled for completion by late summer 2009. A second, 237,000 square-foot, 8-story office building at **MarketPointe II** on the north side of I-494 between France and Normandale is scheduled for completion in fall 2008.

Many developers are increasing the efficiency of buildings, minimizing the use of energy and materials to reduce their impact on the environment. All three developments mentioned are currently or will be **Leadership in Energy and Environmental Design (LEED)** certified by the U.S. Green Building Council.

Manufacturing in Bloomington has gone through several changes during the last 100 years, from blacksmith’s forge to semiconductor foundries to high-tech industries. Approximately 10 percent of the city’s 94,000 jobs are in manufacturing, 14 percent in retail and 8 percent in hotel and food services.



HISTORY SPOTLIGHT

IN 1953 the first traffic signal was installed at the “very dangerous” intersection of 98th Street and Lyndale Avenue.

Today, Bloomington has more than 147 traffic signals. In keeping with the City’s commitment to sustainability, more than 75 percent of the incandescent lights in these signals have been replaced with more energy-efficient LED lights over the last decade.



Photo courtesy of Greg Faust.

1960



Ward’s Southtown Center is built.

1961



First regular season Vikings game is played on **September 17** at the **Metropolitan Stadium**.

1968



Normandale Junior College opens with **1,358** students.

RETAIL AND COMMERCE

IN THE EARLY 1900s, Bloomington was “a Sunday afternoon ride in the country” with a profusion of vegetable stands and private picnic grounds. In town, people purchased their goods at the corner of Cedar and Old Shakopee Road at **J.J. SCOTT’S GROCERY**.

Today retail is thriving in Bloomington. The **MALL OF AMERICA** continues to be an international destination. Retail venues are also being renewed in various neighborhood centers throughout Bloomington, such as the northeast corner of France Avenue and Old Shakopee Road, now home to business and retail center, **The Point**.

One hundred years later, Bloomington returned to its roots with the **Farmers Market**, where residents can again purchase fresh and locally grown produce. The Farmers Market debuted last summer; in just 14 weeks more than 20,000 people enjoyed shopping on Saturdays in the parking lot of Civic Plaza.



PUBLIC SAFETY

ON APRIL 8, 1947, the Town Council voted for the official start-up of the Bloomington Fire Department. Only a few years later, the community was on the verge of a population explosion and many citizens felt the burgeoning metropolitan community needed a police force. In 1953, after heated debate, the Town Board appointed Clay Nord as police chief and **HIRED THREE POLICE OFFICERS** from Bloomington’s constable system to form the Police Department.

Today Public Safety is still about people and keeping our streets safe, but it is also about emergency preparedness. *See page 3.* To stay prepared, the City has adopted new technology, such as **LAPTOP COMPUTERS** for all patrol vehicles to enable officers to generate information and reports rapidly from anywhere in the field.



HISTORY SPOTLIGHT

IN 1959, contaminated wells were replaced with an \$8.8 million water and sewage system. At the same time, the City signed a 30-year water purchase agreement with the City of Minneapolis. In 1969, it became clear that the water available from Minneapolis would not meet Bloomington’s needs, so the City developed its own local water supply and treatment plant. The City Council approved the project in 1971 and the plant became operational in 1974. The plant currently processes more than 14 million gallons of water per day.

COMMUNICATION TO THE COMMUNITY

BLOOMINGTON’S UNOFFICIAL PHOTOGRAPHER **IRV NORLING** worked closely with the Bloomington Police Department in the 1950s and 60s, *see photo right*. He will be remembered for his ability to capture touching and often humorous images of Bloomington life. One way the City **ANSWERED RESIDENTS’ QUESTIONS** almost 50 years ago was by using a rotary telephone, a pen and a sheet of paper.

Today City communications have evolved. We now use technology such as a state-of-the-art 911 emergency system, along with computer technology such as **Ask the City** which serves residents 24/7 by providing a concise way to ask a question, report a complaint and get resolution quickly. While online, residents may search for answers to the most frequently asked questions, submit specific questions and start a service ticket. A service request may be anything from fixing a pothole to investigating a noise complaint. By staying on the cutting edge of 21st century technology, Bloomington offers residents new and innovative services.



TRANSPORTATION INNOVATION

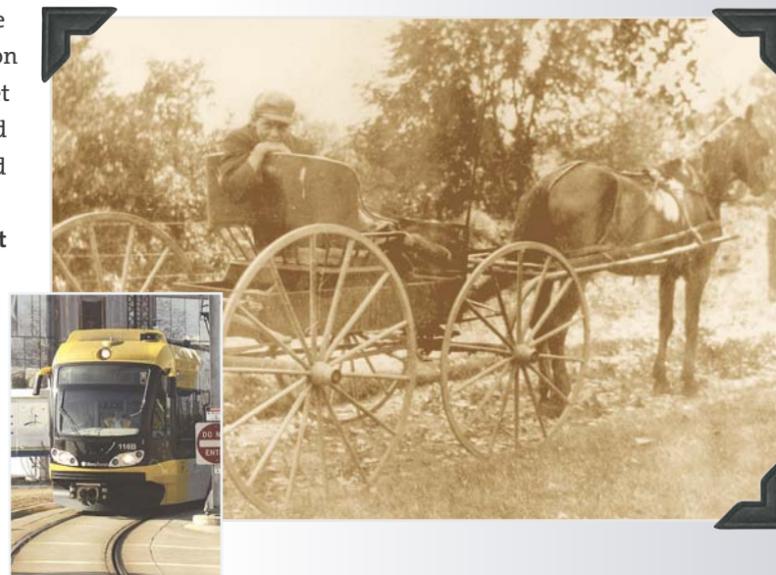
TRAVELING MEANT taking a **HORSE AND BUGGY** down a dirt road in the late 1800s and early 1900s. Few but the very wealthy had automobiles.

Today transportation access is still an important asset and the City is focused on capacity improvements. Similar to Penn Avenue at I-35W intersection project completed in 2003, the **Lyndale Avenue interchange** will begin in September 2008. Open for the holidays, the bridge over I-494 is scheduled to close January 2009 and reopen before December 2009. At the same time, the **76th Street interchange at I-35W** will be under construction. These projects will set the stage for the reconstruction of I-35W and I-494.

Today’s train is **LIGHT RAIL TRANSIT (LRT)**. A **parking ramp** at the 28th Avenue LRT Station is scheduled to open in August. The five-level ramp with

1,450 spaces replaces a 300-space surface lot south of the LRT tracks. A collaboration between the City, Port Authority and Met Council, the \$24 million project is funded by a federal grant, Met Transit funds and a Port Authority bond sale.

In 2009, an additional **LRT station at American Boulevard and 34th Avenue** will be constructed. Part of the original alignment, rerouting the line to the Mall of America delayed this station’s construction. Along with the LRT, expanded bus service and route changes provide more travel options for those who live and work in Bloomington.



1981



Last Twins baseball game at Metropolitan Stadium is played.

1992



Mall of America opens at site of old Met Stadium.

1995



First River Rendezvous takes place at Pond-Dakota Mission Park.

2008 OPERATING REVENUE SOURCES

THE CITY'S MAJOR FUNDS fall into the categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar.

Bloomington's low property tax rate is maintained by maximizing other funding sources, continuing to encourage growth of the City's diverse tax base and looking at new ways to bolster productivity. By diversifying revenue, the City is in a strong position to withstand economic shifts.

Property taxes	\$40,682,784
Fees/charges	23,850,443
Program income	7,132,049
Lodging/admissions	6,477,228
Licenses/permits	4,351,525
Intergovernmental	3,537,085
Transfers/other	2,364,062
Special assessments	2,006,000
Interest	1,411,378
Fines/forfeitures	1,312,292
Franchise fee	933,000
Total revenues	\$94,057,846

2008 BUDGETED EXPENDITURES BY FUND

THE CITY OF BLOOMINGTON'S budgeted expenditures for 2008 total \$102,410,235.*

General Fund	\$51,992,043
Enterprise Funds	34,737,516
Debt Service Funds	11,123,386
Special Revenue Funds	4,557,290
Total expenditures	\$102,410,235

* The \$8,352,389 difference between 2008 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects.



HISTORY SPOTLIGHT

IN 1954, Bloomington's first city parks, Bush Lake Beach and Moir Park, were created. Today, Bloomington boasts 97 parks, 93 ball fields and 55 playgrounds. One third of our city, more than 8,000 acres, is designated for parks and open space.



THE GENERAL FUND

THE GENERAL FUND, which accounts for a majority of City services, is Bloomington's primary operating fund. It uses current revenues to fulfill current expense obligations. This section contains specific information about each department within the General Fund.

	2007 EXPENDITURES	2008 BUDGET	NET PROPERTY TAX*
POLICE	\$17,128,476	\$17,928,595	\$19.92
The Police Department works with the community to make the city a safe place to live, and partners with residents and businesses to address their diverse needs.			
PUBLIC WORKS	\$11,140,737	\$11,285,911**	\$17.12
Public Works provides safe and efficient transportation routes throughout Bloomington; maintains the City's streets, parks, vehicles and public facilities; and reviews the impact construction and development projects will have on local and regional infrastructure.			
COMMUNITY SERVICES	\$8,090,715	\$8,480,788	\$8.72†
Community Services fosters opportunities for all residents, manages parks and recreational activities, produces communication materials and provides public health services. † Recreational facilities funding is \$1.30 of this total.			
COMMUNITY DEVELOPMENT	\$5,443,013	\$5,742,715	\$3.64
Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes health and safety by obtaining compliance with state and City codes.			
FIRE	\$2,803,766	\$2,779,720	\$3.47
The Fire Department protects the community by performing rescues; responding to fires, emergencies and hazardous materials incidents; and teaching fire prevention.			
TECHNICAL SERVICES	\$2,051,061	\$2,218,974	\$2.53
Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington's residents as well as internal technology support to City departments.			
FINANCE	\$1,167,229	\$1,296,869	***
Finance provides financial management and internal support services to other departments.			
LEGAL	\$1,003,464	\$1,050,158	***
Legal prosecutes misdemeanors and advises the City Manager, City Council, City departments, and advisory boards and commissions.			
HUMAN RESOURCES	\$565,096	\$710,537	***
Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.			
COUNCIL, COMMISSIONS, CITY MANAGER	\$635,176	\$685,924	***
Bloomington is governed by an elected, part-time City Council consisting of a mayor and six councilmembers. Legislative power is vested in this Council, which appoints citizens to advisory commissions, and a City Manager, who is responsible for the administration of City business. The City Manager appoints all other employees and performs duties as directed by the Council.			

* Net property tax is the portion of the levy allocated to these services per month.

** Includes \$2.0 million in a separate levy for the Pavement Management Program.

*** These administrative services are allocated to other General Fund budgets and programs.

A SIGNIFICANT ACHIEVEMENT – THREE TRIPLE-A RATINGS

TOP SCORES FROM S & P'S, MOODY'S AND FITCH

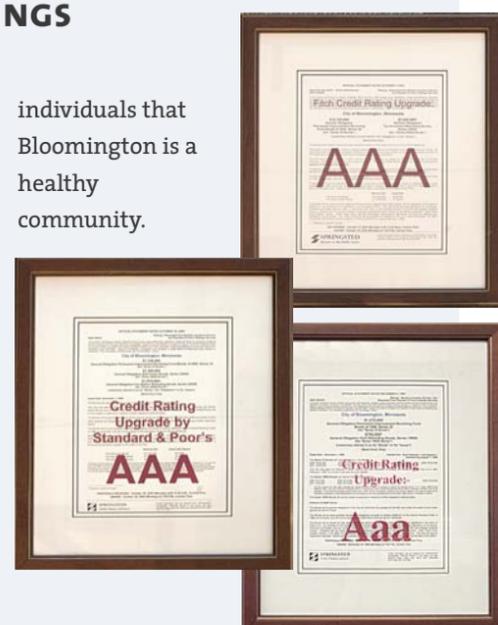
BLOOMINGTON RANKS with an elite few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa from Moody's, AAA from Standard & Poor's and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies.

Bloomington is one of only 24 cities out of more than 19,000 municipal governments in the U.S. that have achieved triple-A ratings from all three agencies. Our city is currently the only city in Minnesota to hold all three highest ratings.

According to the agencies, Bloomington's triple-A status reflects the City's conservative fiscal management, diverse economic base, central location, low unemployment rates that fall below state and national averages, and continued success in the Mall of America tax increment district.

The City's excellent bond ratings signal current and potential investors that our financial future is strong and ensures Bloomington's interest costs will remain as low as possible. It also communicates to businesses and

individuals that Bloomington is a healthy community.



1996



One of the first in the nation, the City's Web site goes online.

1998



Citywide Curbside Cleanup program restarts, collecting 2,427 tons of trash, 572 yards of brush and 3,643 appliances.

2002



New \$3.6 million Bloomington Family Aquatics Center opens.

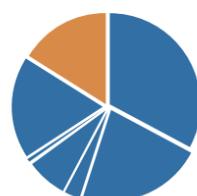


ENTERPRISE FUNDS

THESE FUNDS consist of utilities, recreational facilities and contractual police services primarily supported by user fees.

		2007 EXPENDITURES	2008 BUDGET	AVERAGE FEE PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$5,794,307	\$4,828,178	\$1.30*
PUBLIC SAFETY	CONTRACTUAL POLICE	500,431	540,000	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	815,304	831,141	2.30**
	STORM WATER UTILITY	2,739,065	4,925,089	4.73
	WASTE WATER UTILITY	9,059,205	11,590,196	12.24
	WATER UTILITY	11,045,874	11,415,832	18.38***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	533,709	582,080	--

* Amount is included in the \$8.72 that the property owner of a median-valued home pays for Community Services per month.
 ** Not including a 61-cent recycling credit residents receive per month from a county grant.
 *** Based on 7,500 gallons per month.

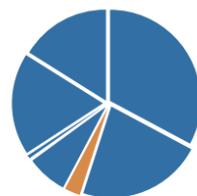


INTERNAL SERVICE FUNDS

THESE FUNDS FINANCE interdepartmental goods and services on a cost-reimbursement basis from a variety of end-user funds. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2007 EXPENDITURES	2007 BUDGET	2008 BUDGET
EQUIPMENT POOL	\$4,809,308	\$5,352,488	\$5,476,305
FACILITIES REPLACEMENT	4,666,921	3,543,493	3,830,211
INFORMATION SYSTEMS	2,824,443	4,148,638	4,736,955
INSURED BENEFITS	6,832,480	7,071,953	7,735,000
PUBLIC SAFETY RADIO	293,632	342,591	570,849
SUPPORT SERVICES	1,186,335	1,149,231	776,858
SELF-INSURANCE	1,021,627	0*	1,462,008
ACCRUED BENEFITS	1,697,392	0*	1,086,650

* These funds had no formal budget before 2008.

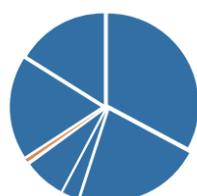


SPECIAL REVENUE FUNDS

THESE FUNDS ACCOUNT FOR REVENUES used for specific purposes including housing and community development, communications, public health initiatives and law enforcement activities.

		2007 EXPENDITURES	2008 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	AIRPORT SOUTH ENVIRONMENT REVIEW	\$163,747	\$681,150	Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	969,437	1,183,744	Franchise fee/other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	796,704	864,220	State grants
PUBLIC SAFETY	POLICE SPECIAL REVENUE	2,207,883	1,828,176	Forfeited assets and grants and one-time reimbursement*/ property taxes**

* Used for specific police capital and operating expenses.
 ** If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will be the funding source.



STRATEGIC PRIORITIES CAPITAL FUND

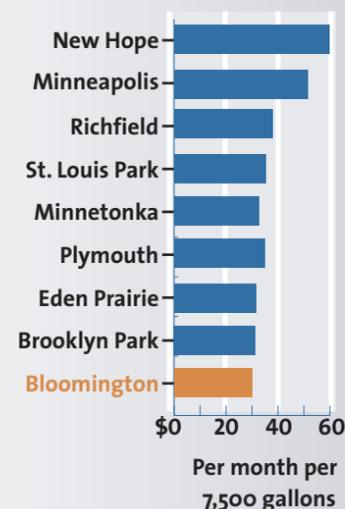
THIS FUND IS USED FOR CITY COUNCIL PRIORITIES that include community renewal and enhancement projects.

	2007 EXPENDITURES	2008 BUDGET	NET PROPERTY TAX PER MONTH
	\$607,283	\$838,972	\$1.41

2008 RESIDENTIAL WATER AND SEWER RATE SURVEY

MONTHLY COSTS TO RESIDENTS in nine cities for water and sewer service in 2008 range from \$30.02 per 7,500 gallons in Bloomington to \$59.79 in New Hope. Most of these cities, including Bloomington, soften their water before distribution to residents.

The City's softened water and sewer services are bargains at only 1 cent per 2.6 gallons – another example of how the City's quality services are a good value for your dollar.



IT JUST TASTES BETTER MORE PEOPLE CHOOSE CITY WATER OVER BOTTLED

IN A BLIND TASTE TEST held at the Energy and Environmental Fair in February, City of Bloomington water was compared glass-to-glass with bottled spring water. Almost 80 percent of the participants selected City water as having a better taste. Comments included, "The tap water in Bloomington is the best," and "I travel throughout the country and Bloomington's water is the best" and "great value for the price."

A cost comparison shows the value of Bloomington's water. One gallon of bottled spring water costs approximately one dollar, the same as approximately 500 gallons of City water. Our tap water is not only a great value, it is also environmentally friendly. Approximately 90 percent of plastic bottles end up in landfills. So, get a reusable bottle and "fill 'er up" with Bloomington tap water!

Minnesota state law, Chapter 156 of the Session Laws of 2005, requires that "a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager - \$144,292; Karl Keel, Public Works Director - \$139,725; and Larry Lee, Director of Community Development - \$135,447.

2003



The 44,000 square-foot Bloomington Civic Plaza is completed.

2004



Hiawatha Light Rail Line opens with service between Mall of America and Minneapolis.

2005



The Lyle Berg Bridge over I-35W, the last link in American Boulevard beltway, is completed.

ABOUT THIS REPORT

THE CITY COUNCIL presents this corporate report of financial and related information to show how Bloomington's city government performs. This publication does not include Housing and Redevelopment Authority or Port Authority budgets.

Mayor

Gene Winstead, 952-888-1258 (h); gwinstead@ci.bloomington.mn.us

Councilmembers

council@ci.bloomington.mn.us
Rod Axtell, 952-832-5377 (h)
Steve Elkins, 612-578-2103 (c)
Amy Grady, 952-884-6502 (h)
Karen Nordstrom, 952-831-5221 (h)
Steve Peterson, 952-884-3262 (h)
Vern Wilcox, 952-854-1425 (h)

City Manager

Mark Bernhardson, 952-563-8780
citymanager@ci.bloomington.mn.us

Comprehensive Annual Financial Report

The City of Bloomington reports financial year-end results in the more than 150-page *Comprehensive Annual Financial Report* (CAFR). The *Corporate Report to the Community* summarizes the most significant data from the 2007 CAFR and the 2008 *Annual Budget*, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

The *City of Bloomington Corporate Report to the Community* is unaudited. This popular report format has been used for the past eight years and is also available on our Web site at www.ci.bloomington.mn.us.

For a complete review of the City's financial position for 2006, consult the 2006 CAFR, available from the Hennepin County Library, Bloomington Finance Department or the City's Web site. For more information on the 2008 *Annual Budget*, visit the City's Web site or call 952-563-8790.

WHAT DO YOU THINK?

DIRECT COMMENTS and suggestions to the Finance Department, e-mail: finance@ci.bloomington.mn.us, phone: 952-563-8790. Visit www.ci.bloomington.mn.us to find out more about City services.



HISTORY SPOTLIGHT

THE AIRPORT SOUTH DISTRICT used to be home to the Twins, Vikings and North Stars. In 1992, the Mall of America was built on the site. Today, there are many possibilities for this area. Airport South comprises two-thirds of Bloomington's commercial development potential and has many desirable features, including: the Mall of America, Bloomington Central Station, LRT, close proximity to a national wildlife refuge, an international airport and two major highways.



CAPITAL PROJECTS

CAPITAL PROJECTS purchase and improve major assets such as land, structures, equipment and streets.

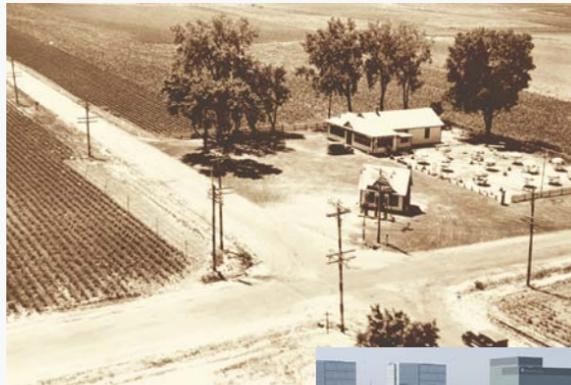
	2007 EXPENDITURES	2008 BUDGET
	\$19,320,378	\$28,484,794

AIRPORT SOUTH

More than \$52 million has been budgeted over the next five years for infrastructure improvements in the Airport South development district. Business tax revenues are funding the project, which is in its third year of a revised 10-year program.

Anticipated 2008 capital expenditures total \$10.56 million, including \$1.85 million for storm water pond improvements, \$3.4 million for road improvements and \$3.7 million for a light rail station. Nearly \$26.2 million was used for a parking structure, which began construction in 2007. See page 5. The Metropolitan Council will lease and operate the structure and repay the funding in full.

Wallace, Roberts and Todd has been selected as consultants on the Airport South District Plan. The goal of the district plan is to build on existing investments and establish specific design and development strategies.



The intersection of what is now American Boulevard and 34th Avenue changed vastly between 1934 and 2007.



PARK IMPROVEMENTS

Major park improvements for 2008, which will have no effect on operating costs, include replacing playground equipment, addressing accessibility concerns at many sites, park trail renovations, and baseball field, tennis court and pool improvements.

Planning for the future of Bloomington's parks is nearing completion. The City has been working since December 2006 to undertake a comprehensive update of Bloomington's Park Master Plan that will establish a 20-year vision for parks, recreation areas, open spaces, cultural and historical preservation, and trail and bikeway systems.

It is anticipated that the plan will be finalized in 2008.



PAVEMENT MANAGEMENT

The Pavement Management Program is a funding and implementation plan for repair, maintenance and reconstruction of

Bloomington roadways. Identified needs are funded through state aids, assessments and an annual levy. To maximize efficiency, the most cost-effective time to repair streets is calculated and the funding needs are levied over several years. In 2008, approximately \$5 million will be spent for street reconstruction and \$3.4 million will be spent on overlaying existing pavement.



DEBT SERVICE

	2007 EXPENDITURES	2008 BUDGET	AVERAGE NET PROPERTY TAX COST PER MONTH
	\$5,141,833	\$11,461,882	\$5.00

MANY COMMUNITY NEEDS must be met by the City of Bloomington, including street and infrastructure work, construction projects and equipment purchases. The ability to issue future debt at lower interest rates will provide for our community's upkeep and renewal without substantially increasing property taxes for debt service. In 2007, the City refinanced \$5.6 million of the Center for the Arts debt to pay off bonds in 2008; both debt issues will be accounted for in 2008. The City's debt will return to 2007 levels in 2009.

OUTSTANDING DEBT

The City's total outstanding debt on December 31, 2007, was \$49,920,000. The total legal debt limit for Bloomington is \$222 million. The City's net debt per capita is \$397. See right. More than half of Bloomington's debt will be paid off in 10 years – a sign of strong financial management.

The Port Authority has outstanding debt of \$49.1 million which will be paid off from TIF revenues and local liquor and lodging taxes.

CITY OF BLOOMINGTON BONDS

General Obligation (G.O.) Bonds	\$ 11,715,000
G.O. Improvement Bonds	30,100,000
G.O. Tax Increment Bonds	6,940,000
Enterprise Fund Revenue Bonds	1,165,000
TOTAL	\$ 49,920,000
<i>Less: Funds on hand</i>	<i>(15,834,496)</i>
TOTAL NET DEBT	\$ 34,085,504
NET DEBT per capita	\$ 397

PORT AUTHORITY BONDS

Special Tax Revenue Refunding	\$ 28,900,000
Lease Revenue Bonds	20,155,000
TOTAL	\$ 49,055,000

2005



Bloomington is home to 84,347 residents.

2006



The first phase of McGough's Bloomington Central Station – Reflections – is completed.

2007



Old Town Hall is restored to its original 1892 appearance.